

Altech Chemicals Ltd

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Altech Chemicals Ltd bags \$2M cash from non-core asset sale

Altech Chemicals Ltd (ASX:ATC) has agreed to sell a non-core exploration licence at Meckering in Western Australia for \$2.0 million to Dana Shipping and Trading S.A.

The sale excludes the mining lease application, which will continue to be owned by Altech.

Dana has paid a \$250,000 non-refundable cash deposit and will pay the balance of \$1,750,000 within 5 days of granting of the mining lease.

The mining lease is expected to be granted in a matter of months.

Iggy Tan, managing director for Altech, commented: "The sale of E70/3923 is a win-win outcome for both parties.

"For Altech, it monetises the portion of the company's Meckering kaolin deposit that is surplus to requirements for our HPA project, plus we receive a larger up-front cash injection compared to what was provided for in the Kaolin Mining Rights Deed.

"For Dana, the agreement delivers kaolin resources for the development of its bulk kaolin business and it removes the requirement for Dana to share M70/1334 with Altech, which was the previous arrangement."

Malaysia HPA plant

Altech is aiming to become one of the world's leading suppliers of 99.99% high purity alumina (HPA).

Altech has completed a bankable feasibility study for the development of a HPA manufacturing plant in Johor, Malaysia.

The exploration licence being sold is surplus to Altech's feedstock requirements for its proposed Malaysian HPA plant.

Feedstock for the plant will be sourced from within the mining lease application area, which contains an estimated ~11 million tonnes of kaolin mineral resources, representing in excess of 250 years of supply for the HPA plant.

Altech continues to hold three other exploration licences at Meckering.

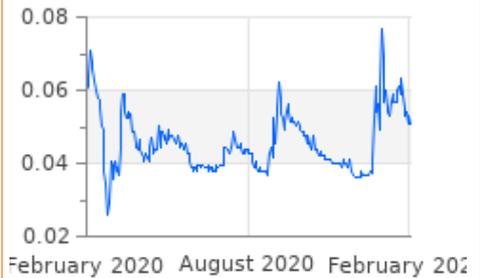
Analysis

Since the end of the March quarter, Altech has now committed \$4 million in

Price: 0.051

Market Cap: \$65.61 m

1 Year Share Price Graph



Share Information

Code: ATC

Listing: ASX

52 week High Low
0.077 0.022698

Sector: Exploration & Production

Website: www.altechchemicals.com

Company Synopsis:

Altech Chemicals Ltd (ASX:ATC) is focused on advancing its high purity alumina (HPA) project in Western Australia.

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additional cash from a \$2 million capital raising in April and this recent \$2 million conditional transaction.

This will provide Altech with the resources they need to continue to pursue the final stages of the proposed Malaysian HPA plant.

The deal with Dana had a dual benefit of providing Altech with additional cash from a non-core asset sale, and settled a dispute with Dana around the termination of the Kaolin Mining Rights Deed.

Altech shares have more than doubled over the previous 12 months and we continue to see achieving project financing for the proposed Malaysian HPA plant as the key catalyst for the share price.

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